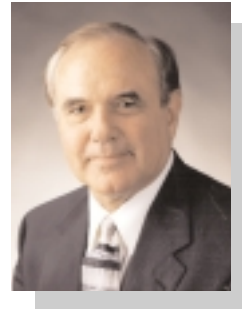


This week in the Legislature

An update from State Senator Robert Garton



INDIANA GENERAL ASSEMBLY GETS STARTED FOR 2002

INDIANAPOLIS – Taxes and spending are expected to overshadow all other issues during the 2002 Indiana Legislature, which reconvened Jan. 7 for a "short" session.

It should not have come to this.

Had the Legislature adopted the fiscally responsible budget passed last year by the Senate but rejected by the House of Representatives because it did not spend enough, we would not be in this position today.

Had Republican lawmakers' efforts over the past several years to address the property reassessment issue before it became a crisis been heeded, we would not be in this position today.

Finally, had the governor been willing to use his constitutional authority to rein-in spending in a comprehensive and timely manner, we would not be in this position today.

Even though the Legislature makes appropriations, there is no requirement that the money be spent. The Indiana Constitution gives the governor broad authority to manage state finances. The reason is simple: as the state's full-time chief executive officer, the governor is responsible for the bottom line. If delays or cuts in spending are required, he can order the state agency heads whom he appointed to hold the line.



State spending over the past 10 years has far outstripped the rate of inflation. While inflation from 1990 to 2000 amounted to 34 percent, the increase in state spending during the same time period was a whopping 110 percent.

As long as the economy was roaring along, sufficient revenue was pouring in to finance the spending spree. When the economy slowed, however, tax revenue no longer was adequate to support the level of spending to which the administration has become accustomed.

Regrettably, no serious effort has been made to put the brakes on spending. Other than canceling state employees' pay raises this year and announcing a series of long-overdue changes in the Medicaid program, the administration has done precious little on the spending front.



Rather, the governor is putting his political clout behind efforts to raise taxes, including the cigarette tax, income tax, sales tax and various other means of generating more revenue for the state.

If the Legislature adopts the tax increases in governor's \$700 million balanced budget plan, the state will end the current budget period on June 30, 2003, with about \$1 billion in the bank. Fiscal experts say Indiana will end the biennium with \$300 million in the bank, even without raising taxes. While that surplus is slim by government standards, it is a surplus nonetheless.

Many Republican lawmakers believe that the state, like Indiana's working families, should tighten its belt and weather the storm rather than acting hastily to adopt tax increases that will remain long after the economic slowdown is over.

Questions or concerns on pending legislation? Contact your Senator!

Call: 1-800-382-9467 or 317-232-9400

Write: Statehouse
200 West Washington St.
Indianapolis, IN 46204-2785

Access Indiana from your Personal Computer!
Listen to the General Assembly online!

It's easy with Access Indiana Internet site.
Your one stop for government information...

Log on to: <http://www.in.gov>

State Information Center	1-800-382-1563
Federal Information Center	1-800-347-1997
Indiana House of Representatives	1-800-382-9842
Indiana Senate	1-800-382-9467
Governor's Office	317-232-4567
Secretary of State	317-232-6531
Medicaid Information	317-232-4455
Child Support Help Line	317-232-5467
Bureau of Motor Vehicle	317-232-2800
Department of Education	317-232-6611
State Tourism	1-800-289-6646
Medicare	1-800-622-4792

